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FM AMEMBASSY COLOMBO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6420
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RUEHNE/AMEMBASSY NEW DELHI 1180
RUEHKA/AMEMBASSY DHAKA 0272
RUEHIL/AMEMBASSY ISLAMABAD 7253
RUEHKT/AMEMBASSY KATHMANDU 5360
RUEHBK/AMEMBASSY BANGKOK 3232
RUEHGP/AMEMBASSY SINGAPORE 5698
RUEHLO/AMEMBASSY LONDON 3895
RUEHNY/AMEMBASSY OSLO 3966
RUEHKO/AMEMBASSY TOKYO 3052
RUEHKP/AMCONSUL KARACHI 2215
RUEHCG/AMCONSUL CHENNAI 7846
RUEHBI/AMCONSUL MUMBAI 5501
RUEHHK/AMCONSUL HONG KONG 0381
RUEATRS/DEPT OF TREASURY WASHDC
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RHEFDIA/DIA WASHINGTON DC
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BANGKOK AND SINGAPORE FOR TSA AND FAA

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SUBJECT: SRI LANKA: COLOMBO AIRPORT RESUMES NIGHT OPERATIONS

REF: COLOMBO 660

11. SUMMARY: Sri Lanka's Bandaranaike International Airport resumed night operations on July 1 after the airport suspended night flights in early May following a series of air attacks near the airport by the Liberation Tigers of Tamil Eelam. However, only one airline operating through Colombo has announced plans to resume night operations. With the government unable so far to neutralize the Tigers' air attack capability, most airlines are likely to hold off on resuming night flights. End summary.

12. Sri Lanka's only international airport, Bandaranaike International Airport (BIA), resumed 24- hour operations on July 1, lifting the restriction on flights operating between 2200 and 0400 hours that had been in place since May 10. The closure occurred following a series of air attacks by the Liberation Tigers of Tamil Eelam (LTTE) (reftel). Media Minister Lakshman Yapa Abeywardena announced the resumption of night operations and said the decision followed lengthy discussions between defense and aviation officials. The Director General of the Civil Aviation Authority, Parakrama Dissanayake, also confirmed to Econoff that the decision to open the airport was based on high level government discussions as well as "safety information" presented to the government.

AIRLINES MOSTLY PREFER TO KEEP DAYTIME FLIGHTS

13. Following the BIA decision to resume 24-hour operations, only one airline, Dubai-based Emirates, has announced that it will resume night flights into and out of Colombo. Effective July 15, Emirates plans to return to the flight schedule it operated prior to the May closure.

14. Sri Lankan Airlines, the national carrier managed and 43%-owned

by Emirates Airlines, does not yet plan to join Emirates in resuming night operations. A Sri Lankan Airlines public relations official told Econoff that the airline was not yet comfortable to resume night operations and is seeking assurances from the government and insurance companies that it was safe to do so. The Sri Lankan Airlines official, however, also told Econoff that the airline hopes to begin scheduling night flights in August. (Note: Neither Emirates nor Sri Lankan officials could explain why the two airlines, though both managed by Emirates, made different decisions on the resumption of night flights.) Sri Lankan has suffered the greatest loss from the airport's night time closure. This is not only due to the decline in the number of its passengers, but also a drop in its Airport Handling and Catering operations for foreign airlines. The security situation also disrupted Sri Lankan Airlines' plans to expand its flight operations to new destinations.

15. Aside from Emirates, the only other request for evening operations thus far has come from India-based Jet Air, but solely for the purpose of using the BIA as an alternate airfield during night time hours. (The Civil Aviation Authority plans to approve this request.) Meanwhile, all other airlines including Singapore Airlines, Qatar Airlines, Saudi Arabian Airlines and Malaysian Airlines have yet to decide whether to resume their night flights. Despite the lack of immediate enthusiasm to re-start evening flights, the airport reopening has had some positive impact: several airlines that had entirely ceased flying to Sri Lanka now plan to resume service. India-based Air Sahara will resume operations to Colombo from July 22. Cathay Pacific is expected to resume flights in September.

NO PLANS TO ACQUIRE A NEW RADAR SYSTEM

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16. According to a senior Sri Lankan Airlines official, the Civil Aviation Authority has not made any security guarantees to the airlines. He believed this was the primary reason that most airlines were reluctant to resume night operations. The decision to lift the evening curfew was based on defense and aviation officials' assessments that the airport security authorities are capable of responding to emergency situations. Since March, the BIA has augmented its security personnel with officers from the Sri Lanka Air Force (SLAF) and the Airport and Aviation Services Ltd (AASL), the state-owned entity that manages BIA operations. One senior AASL officer told Embassy that the BIA has not acquired any new radar capability and will continue to use its existing civilian radar system. He said the current airport radar system is adequate for civil aviation purposes. He added that the air space surveillance is the responsibility of the SLAF, which uses a military radar system to protect both BIA and the adjacent Katunayake Air Force Base. According to the AASL senior officer, the air force radar system, which was not operating at the time of the March air attack, is now operational.

NO INCREASE IN INSURANCE PREMIUMS

17. According to Civil Aviation Authority officials, a group of London-based insurance underwriters visited the BIA and assessed that the airport's current security was satisfactory and thus did not warrant an increase in premiums. The government, which has not received any reports from the London-based insurance companies which ordered the review, views the absence of any recommendations as a positive sign.

18. COMMENT: Director General Dissanayake told us that it would take some time for airlines to resume night operations as bookings have been made under the present flight schedule and regional routes will need to be reconfigured. With no indication that the government has neutralized the LTTE air bombing capacity, it is not surprising that most airlines are not yet ready to resume night operations. The Tourist Board is eager to see a resumption of normal 24-hour flight operations as the main tourism season begins in early fall. Pressure from the government, including the President and the Tourist Board, may be needed to convince more airlines to resume

night flights.
MOORE